

NRO review(s) completed.

DD/R - Budget

CIA - DIA Relationship

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TS 173243

2 July 1962

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MFR by Walter Elder O/DCI

Re: Meeting on Friday, 29 June 1962 with Director, BOB, Mr. Bell (Staats, Amory & Pettibone of BOB, and DCI McCone (Gen Carter, John Bross)

"...Mr. Bross made the point that much of our budget is determined by outside forces such as projects approved by the Special Group and the Sigint effort over which CIA is not the master, and by the overhead reconnaissance program. In short, we are obliged to provide expensive services to outside customers. Mr. McCone stated that the present figure of [redacted] was an objective. He guessed that it would probably increase and that the medium range figure as projected by BOB was probably more realistic for future planning. Mr. McCone expressed his concern about the growth of DDA, citing a report that NSA had told Dr. Killian that the Sigint effort was planning to expand from its present level [redacted] in the immediate future. Mr. McCone agreed that he personally, with appropriate staff help, would move in on this problem. He indicated that there was a new climate, citing the appointment of Gen. Samford as Chairman of the Sigint Committee, and of General Blake as the new Director of NSA.

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Mr. McCone made the point that the Secretary of Defense and Mr. Gilpatric /D/NRO/ were making a strong effort to maintain DIA at its present force level at the expense of reducing individual service agencies. Mr. Amory expressed concern about duplication among DIA and the individual agencies and stated that USIB representation would probably remain as it is for another 6 months, noting that Gen Carroll presently has a paper before the JCS which would authorize him as the production authority. DOD ()

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There was some discussion of the pace with which the DCI ought to assert his authority to exercise leadership and effective guidance in the intelligence community. It was agreed that the DCI would attend a joint meeting with the Secretary of Defense and the BOB on this overall question.

...

BOB raised the question of ~~NSA~~^{NRO}, described as a "two-headed monster." Mr. McCone observed that the NRO would work satisfactorily so long as the present personalities were in place, but he stated that the center of gravity on satellite reconnaissance was gradually shifting to the DOD. He stated his opinion that NRO and NSA must be established with direct lines to the SecDef on the grounds that reconnaissance and Sigint were both wider and deeper than any DIA authority or responsibility..... DCI pointed out that the DOD is the executive agent for Sigint and noted that he was not satisfied with the DOD management of NSA.

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